

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: July 1, 2008
POSITION: Neutral, note concern
SPONSOR: Save the Bay

BILL NUMBER: AB 2954
AUTHOR: S. Lieber

BILL SUMMARY: San Francisco Bay Restoration Authority

This bill would establish the San Francisco Bay Restoration Authority (Authority) as a regional entity to raise and allocate resources for the restoration, enhancement, protection, and enjoyment of wetlands and wildlife habitat in San Francisco Bay and along its shoreline.

FISCAL SUMMARY

Although this bill would create a new regional entity, allowing the proposed Authority to temporarily use the State Coastal Conservancy's (Conservancy's) staff to support its activities could create additional workload, and therefore additional costs, to the Conservancy. Nevertheless, the creation of a new regional entity with the authority to levy assessments for San Francisco Bay restoration efforts could lessen the need for state resources dedicated for the Conservancy's San Francisco Bay Area Conservancy Program.

This bill would authorize the Authority to raise resources to implement the bill. The sponsor indicates that polls show Bay Area residents would be willing to pay \$10 per year in taxes or fees to restore wetlands in exchange for cleaner Bay water, flood control benefits, expansion of the San Francisco Bay National Wildlife Refuge, and greater shoreline access. As provided for by this bill, such taxes or fees would be subject to voter approval.

SUMMARY OF CHANGES

Amendments to this bill since our analysis of the April 21, 2008 version are minor and do not alter our position. Provisions have been added for the following changes:

- Require a resident of the San Francisco Bay Area to serve as the chairperson of the Authority's governing board instead of the Executive Officer of the Conservancy.
- Eliminate the requirements of the board to have ex officio nonvoting members.
- Limit the types of benefit assessments that the Authority may levy.
- Limit the total amount of indebtedness that could be incurred by the Authority to up to 10 percent of the Authority's total revenues in the preceding fiscal year.

COMMENTS

Although the primary intent of the bill is to create a new regional entity to support the restoration of San Francisco Bay, we are concerned that the temporary use of the Conservancy's staff would result in unfunded costs.

(Continued)

COMMENTS (continued)

The sponsor indicates that, over the last seven years, approximately 4,000 acres of wetland have been restored around the Bay Area, and an additional 33,000 acres of restorable Bay shoreline has been acquired by public and private organizations. The sponsor also indicates that these cumulative acres fall significantly short of the 100,000 acres that scientists believe are needed for a healthy and sustainable Bay. In 2007, the

Analyst/Principal (0633) M. Almy	Date	Program Budget Manager Karen Finn	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____ Position Disapproved _____
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BILL ANALYSIS	Form DF-43 (Rev 03/95 Buff)
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AB 2954

- Create the Authority and establish its jurisdiction as an entity of regional government to raise and allocate resources for the restoration, enhancement, protection, and enjoyment of wetlands and wildlife habitat in San Francisco Bay and along its shoreline.
- Require the Authority to have a five-member governing board and require that the chairperson of the board be a resident of the San Francisco Bay Area.
- Require the board to establish policies for the operation of the Authority.
- Authorize the Authority to levy a benefit assessment, special tax, or property related fee consistent with the requirements of Proposition 218, to issue revenue bonds, and to incur bond indebtedness.
- Limit the types of benefit assessments that the Authority may levy.
- Limit the total amount of indebtedness incurred by the Authority pursuant to the provisions of this bill to up to 10 percent of its total revenues in the preceding fiscal year.
- Sunset the Authority on January 1, 2029.

		SO	(Fiscal Impact by Fiscal Year)								
Code/Department		LA	(Dollars in Thousands)								
Agency or Revenue		CO	PROP								Fund
Type		RV	98	FC	2008-2009	FC	2009-2010	FC	2010-2011	Code	
3760/Coast Consvr		SO	No		-----	See Fiscal Summary	-----			0565	
<u>Fund Code</u>	<u>Title</u>										
0565	Coastal Conservancy Fund, State										